

Old Age, Disability, Death

First law: 1972 (national law; never went into force).
Current laws: 1976.
Type of program: Social insurance system.
Exchange rate: U.S.\$1.00 equals 50.1 Pakistani rupees.

Coverage

Employees in firms with 10 or more workers. Exclusions: Family labor, and self-employed. Special systems for public employees, armed forces, police, statutory bodies, local authorities, banks, and railway employees. Commercial and industrial establishments with 50 or more employees must provide group insurance for temporary and permanent disability and death benefits for employees earning less than 3,000 rupees per month.

Source of Funds

Insured person: None.
Employer: 5% of payroll.
Government: Subsidies as needed.
Maximum earnings for contribution and benefit purposes: 3,000 rupees a month.

Qualifying Conditions

Old-age pension: Age 60 (men) or 55 (women and miners), 15 years of contribution.
Retirement from covered employment not necessary. Reduced pension at age 55-59 (men) or 50-54 (women).
Old-age grant: Age 60 (men) or 55 (women). 2-14 years of covered employment.
Disability pension: Loss of 2/3 of earning capacity. 15 years of contribution, or 5 years including 3 of last 5.
Survivor pension: Deceased had completed at least 36 months in insurable employment, or was pensioner at death.

Old-Age Benefits

Old-age pension: 2% of average monthly wage (based on last 12 months' earnings) times number of years of insurable employment. Minimum pension: 425 rupees (as of July 1991).
Reduced pension: Full old-age pension reduced 1/2% for each month that retirement precedes age 60 (age 55 for women).
The minimum pension is similarly reduced.
Old-age grant: Lump sum equal to 1 month's wage for each year of insurable earnings.

Permanent Disability Benefits

Disability pension: Same as old-age pension.

Survivor Benefits

Survivor pension: 100% of insured's minimum pension to be divided equally if more than one widow. Married before the deceased reached minimum pensionable age for old-age pension. Minimum pension: 425 rupees (as of July 1991).
If surviving spouse dies before receiving survivors pension for 5 years, balance of 5 years' pension paid to surviving parents of the deceased insured person.

Administrative Organization

Ministry of Labor, Manpower and Overseas Pakistanis, general supervision.
Employees' Old-Age Benefits Institution, administration of old-age pension.

Sickness and Maternity

First law: 1962 (national law; never went into force).
Current laws: 1965.
Type of program: Social insurance system. Cash and medical benefits.

Coverage

Employees in selected industries or establishments earning 3,000 rupees a month or less including domestic servants.
Exclusions: Family labor, self-employed, and persons earning above 3,000 rupees a month. Once covered, a person remains eligible for benefits. Special systems for public employees, armed forces, police, local authorities, and railway employees.

Source of Funds

Insured person: None.
Employer: 7% of payroll.
Government: None.
Maximum earnings for contribution and benefit purposes: 3,000 rupees a month or 120 rupees a day.
Above contributions also finance work-injury benefits.

Qualifying Conditions

Cash sickness benefits: 90 days of contribution in last 6 months.
Cash maternity benefits: 180 days of contribution in last 12 months.
Medical benefits: Current coverage.

Sickness and Maternity Benefits

Sickness benefit: 75% of earnings: 100% in case of tuberculosis and cancer (50% in North-West Frontier Province and Balochistan). Payable after 2-day waiting period for up to 121 days (365 days for tuberculosis and cancer) in year.
Maternity benefit: 100% of earnings, payable for 12 weeks, including not more than 6 weeks before confinement.

Workers' Medical Benefits

Medical benefits: Medical services provided mainly through social security facilities. Includes general medical care, specialist care, medicines, hospitalization, maternity care, and transportation. Maximum duration: No time limit (for as long as it is considered necessary or for six months after patient has exhausted title to sickness benefit, whichever period is shorter).

Dependents' Medical Benefits

Medical benefits for dependents: Same as for insured worker, except that hospitalization for dependents is provided only in case of maternity, surgery, and cancer.
Death grant: 1500 rupees.

Administrative Organization

Provincial Labor Department, general supervision.
Provincial Employees' Social Security Institutions in Punjab, Sindh, North-West Frontier Province, and Balochistan, administration in each Province; managed by tripartite governing body and commissioner. Institution authorized to establish own dispensaries and hospitals, or to contract with public and private agencies for provision of medical services.

Work Injury

First law: 1923 (Workmen's Compensation Act of 1923 in force for employees not covered by social insurance law).
Current law: 1965 (Social Insurance Law).
Type of program: Social insurance system.

Coverage

Social Insurance Law: Employees in selected industries and establishments earning 3,000 rupees a month or less.
Workmen's Compensation Act: Employees of industrial establishments with 10 or more workers earning 3,000 rupees a month or less. Exclusions (both laws): Family labor, self-employed, and persons earning above 3,000 rupees a month.
Special systems for public employees, armed forces, police, local authorities, and railway employees.

Source of Funds

Insured person: Social Security Law and Workmen's Compensation Act-None.
Employer: Social Security Law-see Sickness and Maternity above; Workmen's Compensation Act-Whole cost, including cost for medical examinations.
Government: Social Security Law and Workmen's Compensation Act-None.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: Workmen's Compensation Act—Persons with wages of less than 3,000 rupees per month, 1/2 of monthly wage for up to 1 year. If lung disease, 1/3 of monthly wage for up to 5 years.
Social Insurance Law: 60% of earnings (100% in Punjab and Sindh). Payable after 3-day waiting period for up to 180 days (waiting period waived in Punjab).

Permanent Disability Benefits

Permanent disability pension: Workmen's Compensation Act—Permanent total disability, lump sum of 100,000 rupees. Cost of medical examination paid by employer.
Social Insurance Law: 75% of earnings (100% in Punjab), if 67% loss of earning capacity.
Partial disability: Up to 66% benefit based on formula.

Workers' Medical Benefits

Medical benefits: Medical care as above, no time limit, plus dental care; no cost-sharing by patient.

Survivor Benefits

Survivor pension: Workmen's Compensation Act—Lump sum of 100,000 rupees.
Social Insurance Law—60% of total disability pension of insured. Payable to widow or needy disabled widower.
Orphans: 20% of pension of insured for each orphan under age 16, 40% if full orphan.
Dependent parent (if no widow, widower or orphan survives): 20% of pension.
Maximum survivor pensions: 100% of pension of insured.
Death grant: 1,500 rupees.

Administrative Organizations

Workmen's Compensation Act—Workmen's compensation commissioners in provinces, general supervision.
Social Insurance Law—Provincial Labor Department, general supervision.
Provincial Employees' Social Security Institution, administration of contributions and benefits.

Unemployment

Labor code requires employers with 20 or more employees to pay severance gratuity equal to last 30 days' wages for each year of employment.